UNIGESTION (UK) LTD

UK Stewardship Code 2020 and Engagement Policy

October 2021

Unigestion (UK) Ltd ("Unigestion") manages assets for a range of institutional clients and a small number of high net-worth families. It manages assets for segregated mandates, pension funds, investment companies and for some of the Unigestion range of investment funds.

At Unigestion, we aim to act in the best interests of all our stakeholders by engaging with the companies that we invest in and by exercising our voting rights with care. Not only is this in line with good market practice, but it supports our investment philosophy of prudent risk management and responsible investment of our clients' money.

This document explains Unigestion's compliance with the UK Stewardship Code and its principles. It also fulfils our responsibilities under the EU Shareholder Rights Directive (SRD II), complies with FCA requirements and follows SEC guidance. It is publicly available on our website at: https://www.unigestion.com/responsible-investment/policies-and-reporting/

PURPOSE AND GOVERNANCE

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

For 50 years, Unigestion has pursued the same goal – to offer investors sophisticated and innovative investment solutions that achieve their objectives. At the same time, we recognise the important role we play in supporting the sustainable development of the economy and providing an inclusive and entrepreneurial culture where our employees are empowered to deliver and encouraged to develop their skills.

Purpose and strategy

As long-term stewards of our clients' capital, we believe we have a duty to deliver attractive returns and support the sustainable development of the economy. We strive to accomplish this purpose in both the way we invest and the way we operate our business.

Our ownership structure is aligned with our purpose – our largest shareholder is the FAMSA Foundation, a charitable foundation established by Unigestion's Chairman Bernard Sabrier in 2011, which makes substantial contributions to a wide range of projects in the charitable, educational, cultural and medical fields. Unigestion's management team and other institutions are also shareholders, ensuring both an alignment of interests with clients and high standards of corporate governance. This structure ensures our goals are aligned with society, our people and our clients.

Our vision of success is based on four strategic pillars:

- The performance and service we deliver to our clients
- The financial sustainability of our company
- Providing the best environment to empower our partners and colleagues
- Our contribution to society

We believe in constantly evolving our investment offering to deliver performance, remaining differentiated and showing value for money to clients. If we can achieve this, we will be able to achieve sustainable growth in our revenues and operating profit, supporting our desire to provide the best working environment to our colleagues and partners, and our aim of making a significant contribution to society. We seek to achieve this both through the responsible allocation of assets to support the move to a sustainable economy, and by paying dividends to the FAMSA Foundation.

We have put the United Nations' Sustainable Development Goals (SDGs) at the very heart of our business. We particularly focus on aligning ourselves with SDG 3 around 'Good Health and Well-being', SDG 5 around 'Gender Equality', SDG 12 around 'Responsible Consumption and Production' and SDG 13 around 'Climate Action'. These considerations are an integral part of the decision-making process across all our investment lines, as well as part of the way Unigestion operates internally as an organisation.

Our investment beliefs

We believe that intelligent risk-taking is key to delivering consistent returns over time. Active risk management is the engine of performance. It allows us to target rewarded risk more precisely, permits us to assess the risk-return profile of each investment and enables us to adapt to different market conditions and tailor portfolios to investors' risk appetite.

By combining mind and machine we can make smarter, faster decisions. We use sophisticated proprietary tools to process market data in a robust, repeatable and scalable way, combining this with the human insight of our experienced investment teams, who use discretionary and forward-looking analysis to assess future risks.

Unigestion believes in innovation. Our culture of research, supported by close links with academia, enables us to constantly evolve our processes as the market develops, driving new investment ideas that we can share with clients to meet their requirements as they evolve.

Unigestion wants to be recognised as an investor that integrates ESG in a responsible manner across all of our investment processes, including how we interact with the companies in which we invest and in the operational management of our own firm. ESG principles are deeply rooted across all our investment lines, with 84% our assets covered by ESG considerations. We believe that investing in well-governed businesses with responsible practices can make a positive contribution to our clients' portfolios over the long term. Sustainability will be a long-term driver for change in markets, countries, sectors and companies, creating significant opportunities for fruitful investment.

We have honed our approach to ESG since launching our first responsible equity product in 2004, evolving our approach across the asset classes we cover. We integrate ESG considerations throughout our investment processes - from universe screening and investment selection to portfolio construction and active ownership.

Active ownership

We strive to be responsible stewards of our clients' assets within a framework of strong governance and transparency. Effective stewardship benefits companies, investors and the society as a whole.

Our stewardship and direct engagement activity focuses on the ESG factors we believe will have the greatest impact for long-term investors. As an active and responsible owner, we incorporate ESG criteria when voting our shares to help drive positive change. Furthermore, we believe that prudent stewardship is of benefit to all constituents and we support a broad definition of fiduciary duty.

Unigestion casts votes on all shares under its control and we involve and inform our clients on the results through the services of ISS, a third-party proxy voting specialist firm. Votes are cast based upon a customised policy built upon their International Sustainable Proxy Voting policy with enhancements to address stricter criteria for Director and Auditor independence as well as the incorporation of ISS's Climate Voting Services, which uses their Climate Scorecard. The investment team and the Responsible Investment Committee monitor the voting guidelines monthly to ensure they are aligned with our approach to stewardship. In the context of segregated portfolios, clients can express their own stewardship and proxy voting requirements which we will endeavour to accommodate.

We include ESG analysis in all of our equity portfolios at different steps of the process to eliminate stocks with important specific ESG risks such as environmental, excessive carbon emissions, tobacco, thermal coal, producers of adult entertainment, predatory lenders, workforce treatment or corporate governance issues, legal problems or fraud. We also exclude stocks with direct exposure to controversial weapons (cluster bombs, landmines, depleted uranium, and chemical and biological weapons) from all our equities portfolios. In addition to our proprietary research, we use ESG research provided by Sustainalytics, and carbon emissions data from Trucost and the Transition Pathway Initiative, to help identify ESG risks.

We require our portfolios to maintain an ESG score that is higher than the market reference on an ongoing basis. This is achieved through a positive tilt to equities with better ESG scores and a negative tilt to the ones with the worst ESG scores.

In addition, we have signed the Montreal Carbon Pledge and commit to publicly reporting on the carbon footprint of our liquid pooled funds on an annual basis.

We have participated in collaborative engagements organised by the UN-supported Principles for Responsible Investment (PRI). In addition to collaborative engagement, Unigestion engages directly with individual portfolio companies on a variety of issues.

Reporting

We are committed to continuously increasing transparency of reporting to clients on ESG impacts and our active ownership strategy.

We report on a range of stewardship outcomes, to both clients and the public, through the Responsible Investment section of our website. We provide Proxy Voting Reports (semi-annually), Direct Engagement Reports (semi-annually) as well as ESG Reports (monthly).

For our UK pension plan clients, we meet the annual transparency reporting required under SRD II.

Furthermore, we have worked with investment consultants on very detailed stewardship reporting for our joint clients, used to enable them to complete Implementation Statements, a regulatory requirement for UK pension schemes.

The positive feedback that we receive from clients satisfies us that we have been able to meet our clients' expectations in providing detailed reporting on stewardship outcomes particularly addressing their PLSA, LGPS Transparency, and Solvency II, and other customised reporting requirements. We are now further enhancing our ability to automate the production and dissemination of this information.

We publish a large number of publicly-available documents on the "Responsible Investment/Policies and Reporting" page of our website: https://www.unigestion.com/responsible-investment/policies-and-reporting/. These include the Responsible Investment Policy, Responsible Investment Annual Report, PRI Transparency Report and Assessment Report.

This section of our website also contains our Responsible Investment Roadmap, which communicates where we stand today in terms of Environmental, Social and Governance (ESG) positioning and where we want to be over the next three years. It sets out our ambitions toward sustainability - not only in how we invest, but also in how we function as a firm.

Culture

At Unigestion, people are valued for their passion and ideas and our ultimate goal is to serve clients and society. Our commitment to ongoing research and innovation helps create a dynamic environment where new ideas are welcomed and development and learning never stops.

This commitment has helped Unigestion thrive for 50 years. We take pride in the way we serve our clients and society. We seek to provide a working environment built on trust, respect, support and empowerment in which our employees can thrive and achieve their full potential.

Our Values

With around 220 employees located across 10 offices in Europe, North America and Asia, the key to building strong relationships with staff is sharing common values, engaging and developing our employees as well as establishing clear goals, metrics to steer behaviours.

Our values are summarised as Engagement, Conviction and Ownership. These three words act as the 'compass' guiding each and every one of us to deliver sustainable growth. For more than 50 years, our values have been deeply rooted in our behaviour, our culture and our way of conducting business. The world may be changing but our values remain constant

Our first value is Engagement. We foster engagement toward our clients, our mission to perform and our quest to innovate. Our ultimate aim is to help our clients reach their goals by delivering performance over the long-term and providing the best service possible. This mind-set permeates every aspect of what we do and focuses the mind of every colleague within the organisation.

Our second value is Conviction. Unigestion was founded by passionate free thinkers and entrepreneurs who have successfully guided the company through several market crashes and numerous bouts of volatility, thanks to a relentless focus on client needs and an emphasis on new ideas. Our independence enables us to consider our clients and colleagues as partners embarked on a journey for the long run. We have the responsibility to our stakeholders, as well as to society, to behave in a way that respects and promotes societal, environmental and economic welfare.

Our third value is Ownership. We believe that everyone in the organisation, from the most junior colleague to the CEO, should seize accountability and seek responsibility. Our staff are empowered to take decisions and to solve problems for our clients and partners. Every employee at Unigestion is in charge of their own destiny and contributes to our collective success.

Principle 2

Signatories' governance, resources and incentives support stewardship.

Governance

ESG is a priority for Unigestion and as a result, we have established a strong governance framework that empowers our sustainable values and beliefs at the highest level of the Group. Therefore, the Responsible Investment Committee reports directly to the Executive Committee (ExCo). As the ExCo is the highest decision-making committee within the Unigestion Group, its decisions then apply at all levels of the companies of the Group, in each area of investment expertise and controlled by the Risk department.

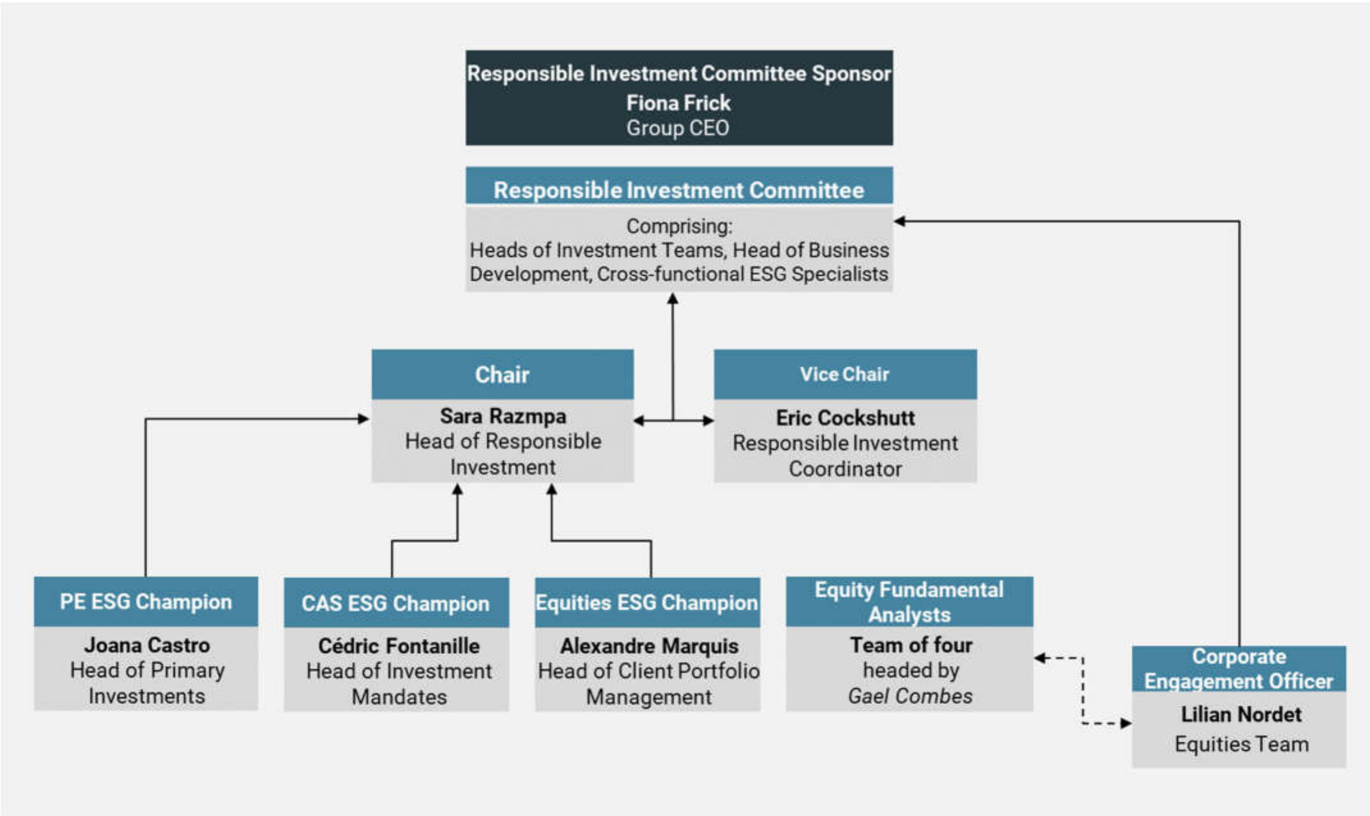
This centralised governance approach is designed to ensure consistency in the application of our Responsible Investment Policy, including firm-wide exclusions and integration strategies, across asset classes and investment teams. Having a harmonised approach also aids in the efficient firm-wide enforcement of ESG portfolio guidelines, constraints, and sustainability risks by our Risk Management function.

You will find hereunder the responsible governance hierarchy:

Function	Role & Responsibilities
Responsible Investment Committee	▶ Advise the Executive Committee (ExCo) on defining the approach to responsible investment at Group level ▶ Propose ESG strategies and integration methodologies to ExCo and develop the firm's ESG framework ▶ Introduce ESG considerations within investment decision-making processes in a well-structured and aligned way ▶ Responsible for ESG implementation on behalf of ExCo, whether customized or regulatory
Executive Committee	▶ Ultimate responsibility and oversight of all ESG-related activities ▶ Takes strategic decisions on ESG integration based on Responsible Investment Committee (RI Committee) recommendations ▶ Communicates the final decisions to the Investment Committee (IC) ▶ Monitors IC implementation
Investment Committees/Portfolio managers (PM)	▶ Implement ExCo decisions according to investment line particularities under consideration of ESG specifics
Risk Management (RM)	▶ Daily monitoring of adherence to investment guidelines implied by the overarching ESG strategy (pre + post trade control) ▶ The ability to alert or block trades, should thresholds be reached or nearing limits ▶ Independent monitoring of sustainability risks at asset level across all strategies

Our Responsible Investment Committee leads the development and integration of ESG principles into all key processes including investment and risk management across the relevant entities and products. Composed of senior management, including our CEO, Fiona Frick, the Committee has published our ESG policy, which establishes the following principles to guide our activities:

- We integrate ESG risks throughout the organisation, including investment decision-making processes
- We actively engage and exercise investors' rights as shareholders by voting at shareholder meetings through our customised proxy voting policy, and engaging directly and collaboratively with investee companies and relevant stakeholders
- Where possible, we aim to increase positive impacts and to reduce negative impacts. However, the scope and nature of these processes are determined at a product level
- We consider ESG best practices by aligning our investment policy with the philosophy of the UN PRI and by being an active member of industry-wide movements such as the UK Stewardship Code, LGPS Transparency Code and the Standards Board of Alternative Investment (SBAI).



Source: Unigestion as at 31 December 2020.

During 2020, we updated the Terms of Reference of the RI Committee. We added representation from both Compliance and Risk - both of which hold vetoes. Their expertise is particularly relevant when addressing new regulatory regimes such as the EU's Sustainable Finance Disclosure Regulation (SFDR).

Resources

Unigestion's goal is a seamless integration of ESG criteria throughout the investment decision making processes, risk management, and reporting functions. As such, all employees embrace these issues, rather than relying on a small sub-set of the firm to implement ESG initiatives. That said, a number of members of the Responsible Investment Committee spearhead our activities in this regard. Their biographies follow:

Fiona Frick, Responsible Investment Committee Sponsor

Fiona Frick is Chief Executive Officer of Unigestion SA and has more than 30 years' experience in the asset management industry. During more than a decade in this role she has developed a high profile in the international asset management industry and academic circles as a respected speaker on economics, financial markets and the rise of sustainable finance.
Fiona is a frequent commentator on financial markets for Bloomberg TV, CNBC and Sky News and is a regular speaker at events such as the Milken conference, the CFA Institute, Fund Forum, 100 Women in Finance, Bloomberg Invest, IPE and the Robin Hood Investors Conference. She also gives lectures at universities such as IMD Business School, Imperial College London and Oxford around the evolution of asset management and the impact of sustainability.

She serves on the boards of Swiss Sustainable Finance and Sustainable Finance Geneva and is also a member of the EMEA committee of the Standards Board for Alternative Investments. Fiona has been recognised by Financial News on numerous occasions as one of the 100 Most Influential Women in European Finance.

Fiona started her career as a fundamental analyst at Unigestion SA, covering traditional asset classes in the 1990s. During her early career, she worked as an investment manager responsible for high yield and convertible bond funds and in 1995, led the development of the company's equity activities. As Head of the Equities team, she was responsible for the development of an innovative approach for managing equities based on the Minimum Variance anomaly which was then implemented into the firm's investment solutions. Fiona was appointed Chief Executive Officer of the Company in January 2011.

Fiona holds a Masters in Business Administration from the Institut Supérieur de Gestion (I.S.G.) in Paris and graduated with a degree in Literature and Philosophy from the University of Dijon. She has also completed a number of executive education programmes at the IMD Business School in Lausanne.

Sara Razmpa, Head of Responsible Investment

Sara Razmpa, CFA, Director, is a Portfolio Manager within the Equities Team, Head of Responsible Investment, and Chair of the Responsible Investment Committee. She joined Unigestion SA in July 2018. She began her career as a junior product specialist for the credit structuring team at Credit Suisse in February 2012. She then joined Lombard Odier Investment Management LOIM in November 2012 as a quantitative analyst. Sara then became Equities Portfolio Manager within the Smart Beta team. In 2014, she moved as Portfolio Manager to the Fundamental fixed income Team. She has been involved in responsible investment (SRI) since 2013 including the integration of ESG and SDG data in investment processes as well as reporting and internal training.

Sara holds a Masters degree in financial engineering and risk management from HEC Lausanne in 2012, a bachelor's degree in economics from the University of British Columbia and a bachelor's degree in electrical and electronics engineering from Tehran University. She has also completed the CFA Institute's Certificate in ESG Investing.

Eric Cockshutt, Responsible Investment Coordinator

Eric Cockshutt, Director, is Responsible Investment Coordinator and Vice-Chair of the Responsible Investment Committee, conducts the firm's Direct and Collaborative Engagements, produces the firm's PRI Reports and has spoken at the PRI in Person and a number of other ESG events. He joined Unigestion in October 2013.

Eric began his career in 1985 in Investment Advisory at Financial Concept Group Inc. In 1996, he joined Trimark Investment Management Inc. as Vice President, Sales focusing on independent advisors and became Vice President, Inside Sales at AIM Trimark in 2002. Eric then assumed the role of Vice President, Sales Solutions at Invesco Trimark in 2004 and was responsible for sales positioning and advisor education programs.

Eric chaired the Board of Trustees of the Presbyterian Church of Canada and its Investment Advisory Committee overseeing $250 million in assets, and was a member of its Pension Board. Eric holds a B.A. (Econ) from Huron College, University of Western Ontario in London, Canada and CSC (Honours) from the Canadian Securities Institute.

Alexandre Marquis, Equities ESG Champion

Alexandre Marquis, CFA, Director, is Head of Client Portfolio Managers within the Equities team and a member of the Equities Investment Committee and the Responsible Investment Committee. He joined Unigestion in November 2012.

Alexandre began his career in 2010 in Securitisation at Credit Agricole CIB Paris. In 2011, he joined Credit Agricole CIB New York as Portfolio Analyst focusing on Transaction Modeling and Reporting Automation.

Alexandre holds a Masters in Science from Ecole Centrale Nantes in France where he graduated with a specialisation in IT and Finance.

Joana Castro, Private Equity ESG Champion

Joana Castro is Principal within the Private Equity team where she is Head of Primary Investments and a member of the Responsible Investment Committee. She joined Unigestion in September 2016.

Joana began her career in 2007 in investment banking at Goldman Sachs. In 2010, she joined the European Bank for Reconstruction and Development (EBRD) as Senior Analyst focusing on private equity funds investments and became Principal at EBRD in 2013.

Joana graduated in economics from Catolica Lisbon School of Business and Economics in Lisbon, Portugal.

Cédric Fontanille, Cross Asset Solutions ESG Champion

Cédric Fontanille, Director, is Head of Investment Mandates within the Cross Asset Solutions Team and a member of the Responsible Investment Committee. He joined Unigestion in March 2012. Cédric began his career in 2001 in the Quantitative and Risk Analysis teams at Olympia Capital Management in Paris. Then, he became a Strategy Analyst focusing on European based Directional Trading and Relative Value Hedge Fund strategies in the London office. Later on, he was promoted to Deputy Head of Research and took over global research responsibilities for Directional trading and Quantitative trading strategies. In 2010, he became Head of Olympia's US office in New York.

Cédric holds a DEA in Economics & Financial Econometrics from the University of Paris II-Pantheon Sorbonne Assas. He also hold a Masters in Applied Mathematics and Social Sciences from the University of Paris IX Dauphine - Paris IX University.

Lilian Nordet, Corporate Engagement Officer

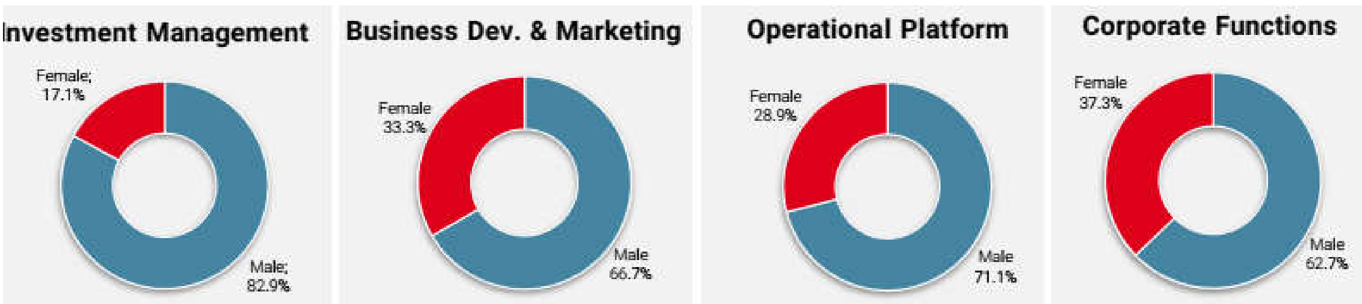
Lilian Nordet, Associate, is Corporate Engagement Officer within the Equities Team and member of the team in charge of Corporate Engagement initiatives. She joined Unigestion in March 2015.

Lilian began her carrier in 1999 as Translator and Marketing Assistant at Cosanum AG in Zurich. In 2003, she worked for two law firms in Geneva as a translator and Assistant to one of the Partners. In 2006, Lilian joined Citi Private Bank as an Executive Assistant focusing on Middle East clients before becoming Associate Banker. Lilian also worked for Credit Suisse as Executive Assistant in both Geneva and Zurich from 2011 to 2014.

Lilian holds a Masters Degree from the Ecole de Traduction et d'Interpretation in Geneva, as well as a Project Management certificate from the Knowledge Academy. Lilian also holds a certification in Sustainable Finance from the Haute Ecole de Gestion de Genève.

Diversity

As a firm, Unigestion sets goals regarding diversity and inclusion and monitors progress towards those goals at the monthly meetings of the Executive Committee. The following graphic depicts the current state of gender composition of various functions.



Source: Unigestion, as at 31 December 2020

The Responsible Investment Committee has four of the seven named functions filled by women.

Training

Every new joiner to Unigestion participates in our Induction Days programme. Included in this is a module on Responsible Investment at Unigestion.

We also have an annual learning & development (L&D) plan, which supports our aim to continuously generate a creative and learning environment where employees can grow professionally and personally. The L&D plan and budget is based on needs initially defined in employees' annual performance reviews and during follow-up meetings between HR and managers. Any additional requirements identified during the course of the year are integrated into the plan on an ongoing basis.

Moreover, we initiated an internal education programme in December 2020 called Sustainability Matters. These one-hour sessions cover Sustainability subjects, ESG, Active Ownership and broad Responsible Investment topics, and are addressed to the members of the RI Committee, Sales, Investment Professionals, Marketing, as well as to all of Unigestion. The first session was about Climate Change. We explained the exclusions at portfolio level, scenario analysis, Paris Agreement assessment, and gave examples of direct and collaborative engagements.

Certain team members (Sara Razmpa, Alexandre Marquis, Eric Cockshutt, Lilian Nordet, Fiona Frick) attended Conferences and Training Sessions conducted by:

- SSF Webinar: Launch of Swiss Sustainable Investment Market Study 2020, 8 June 2020
- Conférence web: Pictet-Global Sustainable Credit: pourquoi se priver de crédit ISR?, 15 June 2020
- Waste and Opportunity 2020: Searching for Corporate Leadership, As You Sow, 17 June, 2020
- Sustainalytics Online Event: The Future of ESG Engagement, 23 June 2020
- Climate Action 100+ webinar: The evolution of regulatory standards aligned to TCFD, 24 June 2020
- SSF Webinar: ESG – Golden nugget for the Swiss Financial Market, 9 July 2020
- Sustainalytics webinar: Corporate Governance Thematic Engagements and Governance of SDGs, 16 July 2020
- As You Sow webinar, Rising to the Net-Zero Challenge, 16 July 2020
- Climate Action 100+ webinar: Biannual Review for Climate Action 100+ signatories, 29 July 2020
- Climate Action 100+ Net Zero Company Benchmark Rollout Webinar, 1 September, 2020
- Geneva Forum for Sustainable Investment (GFSI) 11th edition: Active ownership and Engagement, 3 September 2020
- Sustainalytics webinar: Corporate Governance Thematic Engagements and Governance of SDGs, 16 July 2020
- Climate Action COP26 Digital Event: Rising to the Net-Zero Challenge with speakers from Shell and Greenpeace, 16 July 2020
- Schroders Virtual Sustainability Conference: Deep dive into climate change by Prof. Dr. Reto Knutti, 26 August 2020
- Company specific - Novartis ESG Investor Online Event, 1 September 2020
- WWF/SSF Joint Event Webinar: Evaluating Climate Risk Assessment Tools, 10 September 2020
- Real Deals ESG online event: Refreshing your investment strategy to create a greener, more sustainable portfolio, 16 September 2020
- ISS ESG: The EU Taxonomy in Focus Webinar, 24 September 2020
- MSCI & PRI Webinar: Climate Risk Resilience in the Post-2020 World, 29 September 2020
- Sustainalytics webinar: Introducing Sustainalytics' EU Taxonomy Solution, 29 September 2020
- ISS Virtual 2020 Conference: Stewardship Week & Fall Briefings, from 5 to 8 October 2020
- Real Deals ESG online event: Refreshing your investment strategy to create a greener, more sustainable portfolio, 16 September 2020
- Sustainalytics webinar: Introducing Sustainalytics' Feeding the Future Engagement, 28 October 2020
- Reuters Events Webinar: Governance Risks and the Impact of the Pandemic on Executive Compensation, 7 October 2020
- S&P Global Market Intelligence Webinar: The increasing value of ESG in our post-pandemic recovery, 13 October 2020
- ClimateAction.org Virtual Panel: Leading the Way to Carbon Neutrality: The Nordics, 21 October 2020
- TPI/Grantham RICCE/LSE Joint Webinar: Release of TPI's new Energy Report, 29 October 2020
- Finanz und Wirtschaft Forum: Webinar on Sustainable Investing, from 3 to 5 November 2020
- PRI Oil & Gas Engagement - Investor Call, 11 November, 2020
- SFI 15th Annual Online Meeting: Latest Academic Findings on ESG by Prof. George Serafeim, 12 November 2020
- SSF Webinar on Financing the Low-Carbon Economy Report Launch, 19 November 2020
- Climate Action 100+ Net-Zero Company Benchmark: Scoring Methodology & Rollout Plan, 23 November 2020
- MSCI Webinar: Reaching Net Zero, 8 December 2020
- SSF Webinar on Sustainable Finance Disclosures Regulation (SFDR) Requirements: How to deliver it by March 2021, 15 December 2020
- Climate Action 100+ online event: CA100+ Global Year-end Webinar, 15 December 2020

Research and Analysis

We use external ESG ratings, assessments and KPIs as an input into our internal assessment process. Prior to using external ESG data we carefully assess the data source and the methodology of the external provider. Once we decide to use the service provider, their external data will never lead to our mechanistic reliance on that ESG assessment. Instead, we use external data as an additional, but not the sole, source for our internal assessments.

We currently work with the following external ESG data sources for our equity and multi-asset strategies:

- Sustainalytics
- Trucost
- ISS
- TPI
- IMF
- World Bank
- Witch Model

For our Private Equity analysis, we use ESG data provided by SASB which is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. SASB standards identify the subset of ESG issues most relevant to financial performance in each of 77 industries. Due to scarcity of the external data, for our private equity strategies, we also access data directly through the investments.

We build our ESG scores for companies and countries internally with the data provided externally as explained above.

The ESG score methodology can be downloaded from our corporate website at https://www.unigestion.com/responsible-investment/policies-and-reporting/

Incentives

All members of the Responsible Investment Committee have Key Performance Indicators (KPIs) tied to the achievement of various RI objectives. Furthermore, all Investment Professionals have their variable compensation awarded following The Unigestion Remuneration Policy, which addresses “Performance of the employee and the results achieved from their fixed KPIs including sustainability risks”.

Assessment

We believe that the structures and resources put in place are appropriate. We are making significant investments in data, reporting, systems, and training to ensure that we continue to be adequately resourced as the Responsible Investment bar continues to rise.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Unigestion (UK) Ltd. (“Unigestion”) is under regulatory obligations to identify actual and potential conflicts which may arise during the course of carrying out regulated or ancillary activities or services and to have systems and procedures in place to manage such conflicts.

Principle 8 of the FCA Rules states that "A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client".

The Firm shall take all appropriate steps to identify and to prevent or manage conflicts of interest across Unigestion and measures have been put in place to manage such conflicts in a way that is fair to clients.

All employees and persons directly or indirectly linked to Unigestion are expected to exercise the highest standards of integrity and ethical business conduct to ensure the fair treatment of clients. All employees are required to avoid situations in which their personal interests conflict with our fiduciary duties to clients. They are also required to manage situations where the interests of clients may conflict.

For the purposes of identifying the types of conflict of interest that arise, or may arise, in the course of providing a service and whose existence may entail a material risk of damage to the interests of a client, Unigestion must take into account, as a minimum, whether Unigestion or a relevant person, or a person directly or indirectly linked by control to Unigestion:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- has an interest in the outcome of a service provided to the client
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- carries on the same business as the client

- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, other than the standard commission or fee for that service.

Unigestion will record each of the conflicts it identifies in its Conflicts of Interest Register. The register will identify each of the circumstances that may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients. Each entry will identify the investment service or ancillary service carried on by Unigestion to which the conflict relates. The record will also specify the procedures adopted by Unigestion to prevent or manage the conflict that has been identified. The Conflicts of Interest Register is maintained, and regularly updated, by the Compliance Officer.

Risks specific to voting are mainly that voting decisions are flawed because of lack of independence. Examples could include:

- The person taking the voting decision is not independent with regard to the issuer in question;
- The company to be voted on is also a client of Unigestion;
- Unigestion directors are acquainted with the board members of the company being voted on; or
- Resolutions are voted, not in shareholders' best interests, but to the benefit of a third party.

To manage and prevent such risks occurring, and in addition to the regular monitoring & controls of our Compliance department, several measures have been taken:

- All employees must report their holdings on a quarterly basis as part of the personal dealing policy.
- All employees and directors must disclose and Unigestion must approve any outside interests or directorships they hold.

Our proxy voting service provider (ISS) establishes voting recommendations based on Unigestion's customised voting policy, which is validated by the Responsible Investment Committee.

- In cases where a potential conflict of interest is identified, ISS voting guidelines will be applied without any intervention from the manager in charge of the voting activities.
- Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies, the Responsible Investment Committee must approve the decision, and this decision is documented.
- The ISS Conflicts of Interest Policy is obtained and reviewed by the Responsible Investment Committee.
- A post-vote review of our voting decisions is performed by our Responsible Investment Committee.

As an example of how we have addressed a conflict, during the course of 2020, a review of ISS voting instructions highlighted that we were voting against a director nominated to the board of a Swiss listed company due to overboarding. Further, it was learned that the nominated director was a long time business associate of our chairman. Our policies were applied and we voted according to our ISS guidelines and informed the nominee of our intended vote against his nomination, as we do in all such situations. The discussions and decision at the Responsible Investment Committee meeting surrounding this issue were fully minuted.

Employees are made aware of the policies and procedures in place that are designed to identify and manage possible conflicts through their normal business operating procedures, ad-hoc guidance from the compliance department, training and normal day to day business communications.

Unigestion's standard employment contract requires staff to devote their full time and efforts to Unigestion's business. Employees are prohibited from undertaking any other employment or engage or be involved or interested in any other business without the prior written consent of the board. The Compliance Officer maintains an Outside Interests Register for this purpose.

All staff and directors are required to sign an annual Interests declaration.

To manage any potential conflicts of interests Unigestion has put in place a number policies and procedures to mitigate and control the risk. Such policies include but are not limited to:

- Unigestion's Code of Ethics
- Risk Management Policy providing for the independent performance of the risk management function
- Market Abuse Policy
- Bribery & Corruption Policy
- Personal Account Dealing Procedure
- Gifts and Benefits Procedure
- Policy on the use of in-house products
- Treating customers fairly policy
- Allocation and Aggregation policy
- Stewardship Code

General organisation arrangements such as independent valuation committee, risk management committee, four eyes principle, segregation of duties, information security and remuneration structures help to underpin this effort.

Unigestion monitors adherence to these policies and procedures through its compliance monitoring program on an on-going basis.

The full Conflicts of Interest Policy is publicly available at https://www.unigestion.com/wp-content/uploads/2020/10/UUK-Conflicts-of-Interest-Policy-2020-v2.pdf

Unigestion does not deal on its own account.

Unigestion has decided to absorb all investment research costs on its own P&L. This approach is in line with our values and ensures clear and transparent costs and charges delivery of our portfolios. Using this model also safeguards our clients from any potential conflicts of interests in providing best execution.

Unigestion (UK) Ltd. Is a wholly owned subsidiary of Unigestion Holding SA. As at 31.12.2020, 45% of our capital is held by FAMSA foundation, a family foundation with charitable goals, and the Unigestion Group's Chairman Bernard Sabrier; 26% is held by Unipartners who are the management team and key Unigestion Group employees; 29% is held by institutional shareholders and external partners. Furthermore, with 71% of the firm's equity capital held by the Senior Management and with Unigestion Holding's own assets invested alongside our clients', we believe we demonstrate considerable alignment of interest with our clients. Having well regarded institutional investors within the ownership structure reinforces a strong alignment of interest and provides the opportunity for their voices to be heard as members of the board thus ensuring that the long term strategy of the firm is aligned with the evolving needs of investors.

The Firm believes that it does not currently have any conflicts of interest risks to disclose that are not appropriately managed.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Unigestion is an independent, specialist asset management company providing innovative, tailored solutions for investors worldwide. We believe that intelligent risk-taking is key to delivering consistent returns over time. This core conviction underpins our investment approach across our four areas of expertise – equities, private equity, liquid alternatives and multi asset.

Our focus on understanding and anticipating risk as a means to outperform sets us apart. By taking risk in a measured, informed way, we aim to deliver the performance our clients expect. Risk management is embedded at every stage of our investment process. It's part of our DNA, our culture and defines everything we do.

We believe that risk is multi-dimensional and is therefore always evolving, and thus so is our risk management approach. Taking a 360-degree perspective, we seek to model, analyse and map the broadest possible spectrum of risks. Our focus on research helps us to identify potential future risks early.

Source: Unigestion

We look beyond traditional risk measures, such as volatility and correlation, to gain a deeper understanding of financial markets. This allows us to take risks with an asymmetric return profile, where upside potential is greater than downside risk. Our goal is then to combine them to achieve effective diversification and, finally, be able to adapt quickly to changing market conditions.

Identifying risk within equity portfolios

As an example, our equity investment process integrates a broad range of risk factors, such as volatility, correlation, valuation, macroeconomic risks, ESG, liquidity and crowding. We constantly look for new sources of risk that could affect equity markets and adjust our process and portfolios as necessary. By combining both systematic and discretionary analysis, we aim to deliver steady, long-term outperformance with downside protection.

We aim to be an active owner of companies and we therefore choose to engage with companies where we believe we have a reasonable chance of positively influencing their behaviour and positioning. This is because we believe that, over the long term, this process will contribute positively to our portfolios' risk/return profile.

Since 2016, we have engaged with companies on a variety of issues relating to directorship, reorganisation and mergers, health and environment, and social and corporate governance.

In 2020, within the framework of our ESG integration process, we defined and incorporated a rule to identify portfolio companies within the worst decile of our proprietary ESG score that have shown signs of improvement over the long-term. We have decided to keep these companies in our portfolios, while engaging with them based on our internal evaluation of their ESG issues. We believe that engaging with them can be constructive and helps to drive positive change in their behaviours.

ESG in less liquid strategies

Private Equity (PE) is strategically important to Unigestion, accounting for around 40% of our total assets under management. In this space, ESG has always played an important role in our investment decision-making process. Today, our approach to ESG is far more sophisticated and proven. We take the United Nations Sustainable Development Goals (SDGs) as the basis of our investment activities, ensuring that all of our PE investment themes are aligned with the SDGs and, in most cases, support multiple goals.

In addition, we engage on an ongoing basis with our direct company investments or the fund managers to ensure the right direction of improvement regarding ESG criteria is pursued.

Promoting Improvement in the Functioning of Financial Markets

One worrying recent development has been the SEC's release of a set of draft rules that, if passed, would greatly impact the ability of proxy voting firms, such as ISS, to conduct their business. We rely substantially on their impartial analyses and recommendations on corporate issues as, at the Unigestion Group level, we vote on over 11,000 items per year. We, and a number of PRI signatories, have sent a letter to the SEC in support of the value that proxy voting firms bring to the industry. There is a sense that the new administration in Washington may ease these proposed restrictions.

In 2020, we signed the Tobacco-Free Finance Pledge. Signatories are leading financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit, thereby raising awareness among financial institutions of the essential role the finance sector must play to help achieve the SDGs, reduce mortality from tobacco and improve global health.

We are strong believers that climate change is a risk that must be measured and managed. As such, in 2020 we were pleased to support the work of the Transition Pathway Initiative, as its deep analysis aids us in making informed investment decisions and provides a rich background for our engagement initiatives.

We signed the Montréal Carbon Pledge, an ambitious collaboration between the PRI and investors from around the world. The pledge has attracted commitment from over 120 asset owners and investment managers with over USD 10 trillion in assets under management. By signing the pledge, we committed to measuring and disclosing the carbon footprint of all of our liquid portfolios to help investors better understand, quantify and manage climate change-related impacts, risk and opportunities.

We contributed to a working group in conjunction with the PRI, AIMA and the SBAI to construct a standard RI Due Diligence Questionnaire which has become the benchmark across the Hedge Fund industry.

Market-Wide Risk

Apart from the legal and compliance risk that are under the responsibility of the Legal and Compliance departments respectively, the Risk Management function is in charge of the following:

Risk	Description
Operational Risk	Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk and reputational but excludes strategic risk. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the firm's reputation.
Investment Risk	Defined as the risk of losses in portfolios positions arising from movements in market prices. Asset classes incurring such a risk include investment funds, equities, fixed income and credit instruments, currencies and commodities.
Liquidity Risk	Defined as the risk for an investment vehicle of not being able to, at certain point in time, fulfil its financial obligations or to implement the portfolios' appropriate investment strategy. It can have two sources: (i) Funding risk depends upon the willingness of investors to remain invested in the investment vehicle or the ability of the vehicle to borrow from external lenders; (ii) Asset liquidity risk stems from the inability of the investment vehicle to sell some assets in order to raise cash fast enough and at reasonable prices. In an extreme situation, a mismatch between assets liquidity and liabilities (funding sources) liquidity can result in a failure of the investment vehicle, due to the default of payment.
Counterparty Risk	Defined in its widest sense as the risk of loss for an investor due to a partial or total failure of the opposite side of a contract or a trade. This risk can be direct, coming from the failure of the contracting parties, or indirect, due to the failure of a secondary party of a direct contracting party (for example the failure of an OTC counterparty of a hedge fund invested by a client, of the borrowing entity in a securities lending operation or of a sub-custodian, etc…). Furthermore, the nature of the asset and collateral (cash, securities, fund shares or derivatives) will also impact the nature and the potential severity of an event of counterparty failure.
Business & Strategic Risks	Strategic risk may arise from the pursuit of an unsuccessful business plan. For example, strategic risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.
Investment Compliance risk	Defined as the risk to Unigestion's reputation, earnings or capital arising from violations of, or non-conformance with investment laws, rules, regulations and contractual restrictions regarding the management of funds and mandates.

Systemic Risk

The implementation of a quantitative model for the assessment of sustainability risks on the value of portfolios is a vast endeavour that will rely heavily on data that may not be available imminently. Therefore, the Unigestion Risk Management Team has decided to adopt a staggered approach, concentrating on the ESG factor of Climate Change impact in the first stage.

From an investor's perspective, Climate Change is a threat which could potentially negatively impact economic growth, inflation and investment returns. At Unigestion, we differentiate between two types of climate risk: physical risk and transition risk. Physical risk is the risk of damage to land, buildings and infrastructure because of droughts, storms or flooding. Transition risk is the risk to businesses and assets because of policy, legal and market changes as the world seeks to transition to a lower carbon economy.

The Inter-Governmental Panel on Climate Change (IPCC) has provided four main scenarios for future carbon emissions and associated global warming projections, known as Representative Concentration Pathways (RCPs), which are based on the human production of greenhouse gases from all sources. The IPCC chose to represent a broad range of climate outcomes, from which we have decided to concentrate on the RCP 2.5 and RCP 8.5 scenarios. These scenarios correspond respectively to the expected outcome of the Paris Agreement, which aims to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels, and to an unmitigated scenario in which emissions continue to rise throughout the 21st century.

Climate Change does not impact all investment assets in an equal manner. Several recent studies have shown that there is a significant relationship, over long time periods, between temperature change and GDP growth. This can be linked to the expected returns of two factors that we have constructed with the aim at capturing the effect of the transition and physical risks respectively.

We have created a model based on the relationship between the returns of the assets in the portfolios we manage and the expected outcome of the RCP scenarios on the two transition risk and physical risk factors. This allows us to estimate the impact of the various climate change scenarios on the portfolio's value over various time horizons.

For all of the potential and material non-climate risks, in addition to our norm-based exclusions, we conduct a qualitative assessment on a case-by-case basis.

Portfolio Managers perform qualitative reviews of each instrument covering all material ESG aspects, while Risk Management performs independent climate-related stress tests.

Assessment

Our aim is to systematically integrate ESG within the investment processes across all our assets under management, as well as offering bespoke ESG solutions to meet the specific requirements of our clients.

A task force of the RI Committee began meeting in the summer of 2018 to prepare the long-term ESG RoadMap for Unigestion highlighted in Principle 1. In order to deliver on the long-term plan, we set shorter-term objectives and review our progress on an annual basis. Our goals for 2020 and our progress to date is summarised below:

Active Ownership

- Customise our ISS proxy voting policy in line with our core values and ESG beliefs. Done
- Investigate the services of other outsourced ESG providers such as Hermes to compare them with ISS. Done

Equities

- Introduce our second version of ESG scoring for companies. Done
- Write a paper about incorporating ESG criteria in equity portfolios. Done
- Incorporate ESG criteria within factor portfolios. Done

Private Equity

- Finalise the scoring of our ECD and UDO portfolios by the end of February 2020. Done
- Have all existing core fund managers complete our ESG questionnaire as part of our next fund monitoring process during 2020. Ongoing

Cross Asset Solutions

- Investing in Green bonds within the government bonds allocation. Done
- Improve the scope and coverage of external managers. New rating proposal to be deployed. Done

Liquid Alternatives

- Implement ESG for long-short equity factors. Done

Participating in Global Initiatives

- Target A+ for Strategy and Governance. Done
- Sign up to the PRI's Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies. Done
- Sign the letter to the SEC regarding the value of Proxy Voting Firms. Done
- Engage with the companies in which we invest to promote the SDG 13 on climate change in our investments. Ongoing

Promotion of ESG Initiatives within our Company

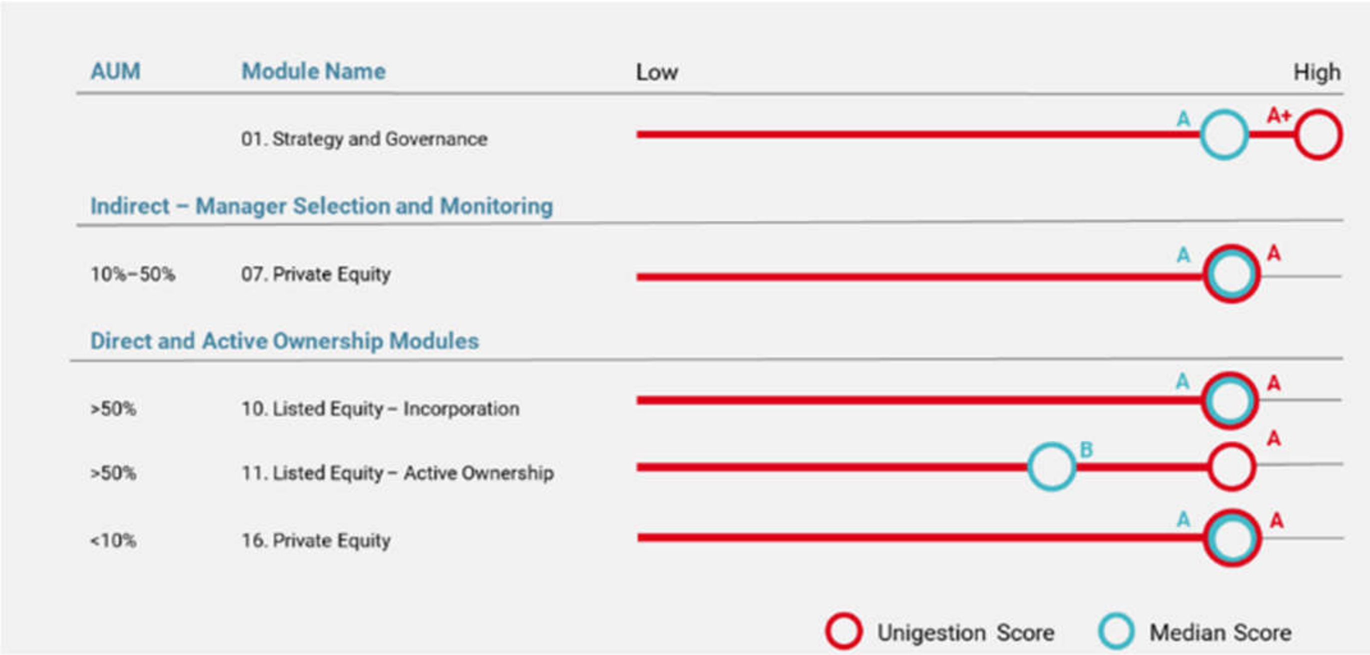
- Draft the first version of our CSR. Done
- Hold regular, firm-wide educational sessions on the key issues and our approach to addressing them. Done

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Unigestion reviews its ESG Investment Policy at least annually, and more often in the case of an external catalyst. The most recent review was finalised in March 2021 and the Policy was significantly enhanced to reflect the new EU Sustainable Finance Disclosure Regulation (SFDR), as a number of the Group's clients are domiciled in the EU.

The Unigestion Group has been completing the UN PRI Reporting Framework each year since we signed on in 2013. The PRI, in turn, assesses signatories against their peers. The following graphic summarises the results of the 2020 assessment.



Source: UN PRI

Each year, the Responsible Investment Committee reviews the PRI Report and makes recommendations to further improve our Responsible Investment policies, practices and outcomes. These are captured in the Responsible Investment RoadMap which, as previously highlighted, sets out our long-term vision as well as our specific three-year objectives and our one-year milestones and which is approved by the Group's Board of Directors. This document is available at https://www.unigestion.com/responsible-investment/policies-and-reporting/

We believe in the importance of being an active shareholder. As such, we exercise our voting rights and engage with many of the companies we are invested in, both in the public and private space. For listed companies, we exercise the voting rights of our clients through an outsourced arrangement with ISS, the third-party proxy-voting specialist. Our proxy voting is based on a customised policy built upon ISS's International Sustainable Proxy Voting policy, which includes enhancements to address stricter rules for US-based firms as well as climate criteria.

In Private Equity, we actively engage with management/GPs to drive positive change based on their responses to our proprietary due diligence questionnaire.

We engage with portfolio companies on a variety of issues, through either direct or via collaborative engagement. We have three catalysts for direct engagement summarised below:

i. Since 2016, Unigestion has engaged with companies on issues relating to directorships, reorganisations and mergers, health and environment, and social and corporate governance. Naturally, we raised these issues shortly before the respective AGMs.

ii. We identify companies within our portfolios in the worst decile of our proprietary ESG scoring but which display a positive trend – this shows they are making an effort to improve. We engage with them based on our internal E, S and G evaluations.

iii. Each year, we choose one SDG as a key theme and we use this as the key them on which to engage with companies that we hold in our portfolios. For 2020 and 2021, the theme is SDG 13 – Climate Change.

We have an internal working group responsible for our equity engagement initiatives, with members also being part of the RI Committee. This working group is responsible for collating feedback and results from engagement, and presenting the information to the RI Committee. We have implemented an internal scale to determine the effectiveness of our engagements from 1 (no acknowledgement of our request) through to 7 (complete implementation of our recommendation). Members of our Private Equity, investment team also provide similar feedback and results to the RI Committee for respective candidate deals or funds.

A summary of engagements and a measure according to the above scale is presented the monthly RI Committee meeting which provides a forum for discussion and monitoring.

Furthermore, the integration of ESG into our investment decision-making processes is reviewed by KPMG in the context of our annual ISAE 3402 review of our Equities and Private Equity activities.

INVESTMENT APPROACH

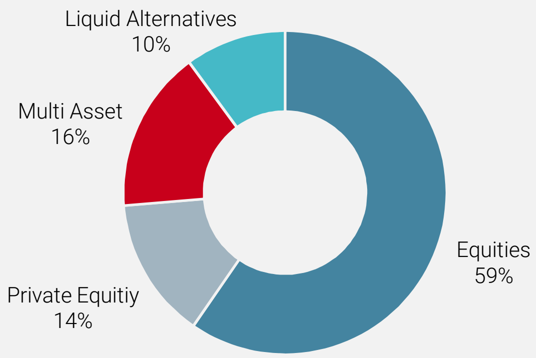
Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

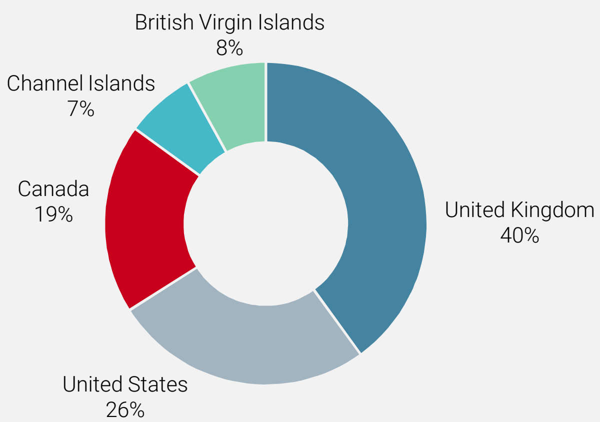
As at 31.12.2020, the Unigestion Group managed a total of GBP 16,517 million.

As at 31.12.2020, Unigestion (UK) Ltd. managed total assets of GBP 2,156 million. All assets are managed on a discretionary basis. The following three graphics provide additional detail:

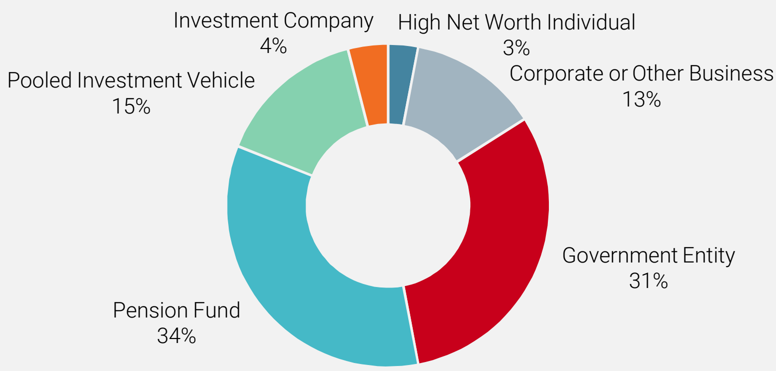
Unigestion (UK) AuM by Asset Class



Unigestion (UK) AuM by Client Location



Unigestion (UK) AuM by Client Type



Source: Unigestion, as at 31.12.2020

With the majority of our clients being pension funds and government entities, a long-term investment horizon and sensitivity to stewardship issues are paramount. As such, a time horizon of at least three to five years, or a complete market cycle, is the minimum recommended period to both assess performance and to benefit from our stewardship efforts.

The need for bespoke investment vehicles amongst our clients has never been greater. In an ever-changing market environment, they are placing more emphasis on achieving specific objectives and targets. Our clients increasingly require different asset allocations and investment approaches that can be tailored to suit their risk appetite more precisely. They are also looking to incorporate new regulatory constraints, as well as specific environmental, social and governance (ESG) criteria.

The Unigestion Group has decades of experience in running bespoke solutions, which today represent more than 60% of its assets under management.

We work in partnership with investors to co-create strategies that meet their specific requirements. We take a 'made with you' rather than a 'made for you' approach. Through open dialogue, and by sharing our research and ideas, we aim to gain a deep understanding their needs and challenges.

Our dialogue with clients starts with an analysis of their current asset allocation. We work with them to identify any potential dislocation between their portfolio risk profile and their investment goals. We then consider any regulatory or accounting constraints, as well as any ethical considerations, in order to build the optimal portfolio.

As we aim to build long-term partnerships with our investors, ensuring they receive exceptional ongoing support is essential.

To this end, Unigestion has a dedicated client service team, headed by Cindy Badel, Executive Director. This team is a central point of contact for clients and provides ad hoc support to our investors for operational, legal, compliance, ESG or investment issues. The team also helps with the on-boarding process and maintains an ongoing relationship with clients, particularly in terms of special duties, agreements and reporting.

The goal of this team is to coordinate Unigestion's expertise to deliver a highly personalised, proactive service to our clients based on in-depth market knowledge and an understanding of each client's specific requirements.

Our Client Services Team regularly seeks input from our institutional clients and consultants to determine required enhancements to our reporting capabilities. Through this dialogue, we determined that additional resources to respond to PLSA requirements on voting and engagement outcomes was required. Furthermore, we worked with our UK based Local Authority Pension clients to uncover and respond to their need for LGPS Transparency Code reporting requirements. Since 2017, we have complied with the LGPS Transparency Code to provide industry standard fee transparency to our LGPS clients and prospects.

Through discussions with a UK-based consultant, we designed and implemented a global equities mandate that met the end endowment client's exacting ethical requirements, while staying true to our well diversified risk managed equities philosophy.

Similarly, we have had discussions with our Insurance Company clients both to optimise their capital requirements and to uncover and meet their reporting needs under Solvency II.

Reporting Stewardship Outcomes

As highlighted in Principle 1, we report on a range of stewardship outcomes, to both clients and the public, through the Responsible Investment section of our website. We provide Proxy Voting Reports (semi-annually), Direct Engagement Reports (semi-annually) as well as ESG Reports (monthly).

For our UK pension plan clients, we meet the annual transparency reporting required under SRD II.

Furthermore, we have worked with investment consultants on very detailed stewardship reporting for our joint clients, used to enable them to complete Implementation Statements, a regulatory requirement for UK pension schemes.

Assessment

The positive feedback that we receive from clients satisfies us that we have been able to meet our clients' expectations in providing detailed reporting on stewardship outcomes particularly addressing their PLSA, LGPS Transparency, and Solvency II, and other customised reporting requirements. We are now further enhancing our ability to automate the production and dissemination of this information.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Monitoring listed companies

Unigestion continuously monitors the listed companies it is invested in, whether they are held in dedicated equities portfolios, or as part of a multi-asset product. The process is dynamic in the sense that the portfolio is constantly monitored to ensure its risk profile remains stable, without any undesirable qualitative or event-driven risk. A new specific risk, such as a takeover, acquisition, delisting, ESG, or corporate governance event news may affect the risk profile of a stock and trigger the sale of a position. In addition, the Fundamental Analysts use ESG research provided by Sustainalytics and the Transition Pathway Initiative to identify emerging ESG risks within a holding. Furthermore, we monitor the carbon footprints of all of our holdings on a systematic basis using data from Trucost. The Fundamental Analysts monitor the investee company strategy, financial/non-financial performance, risk and capital structure using daily newsfeeds such as Factset and RavenPack as well as from sell side analysts.

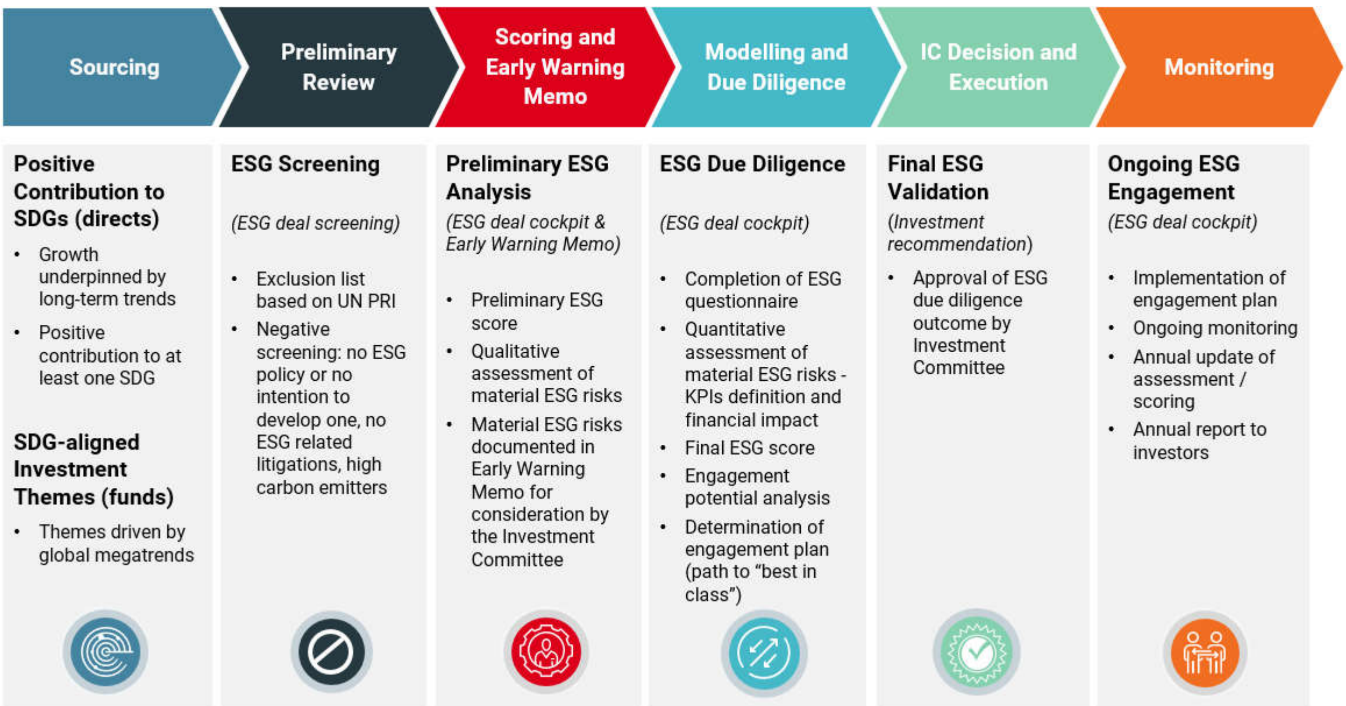
Monitoring Private Equity Funds

For private equity funds, we obtain a seat on the advisory committee and monitor the fund manager and underlying companies within each fund on ESG grounds to ensure that businesses are robust and continue to generate consistent returns for our investors.

Monitoring Direct Private Equity

The direct investment team follows a systematic and disciplined multi-phase investment selection process in addition to their responsibilities for the origination, execution, monitoring, value creation, and exiting of direct investments.

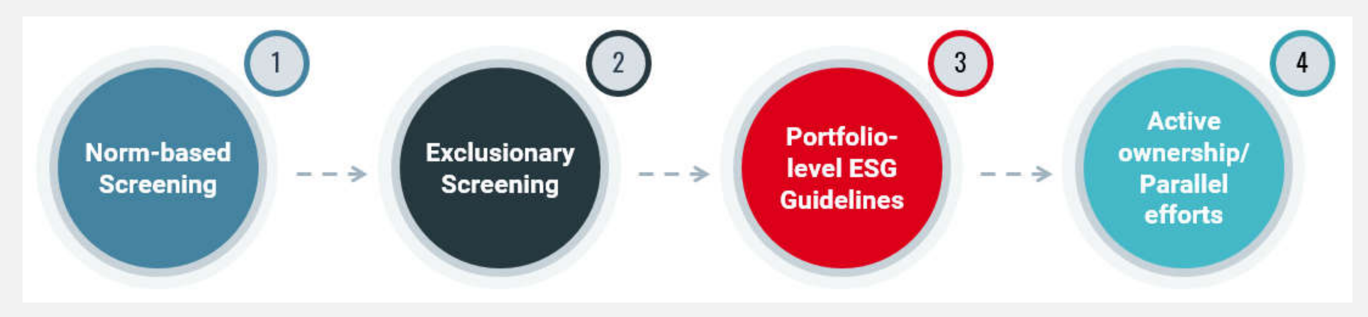
As direct managers, we take the United Nations Sustainable Development Goals (SDGs) as the basis of our investment activities. ESG considerations are integrated at every stage of the investment process as shown and detailed in the following graphic.



Source: Unigestion

ESG Integration in the Investment Processes

In order to harmonize ESG efforts across all investment lines, our Responsible Investment Committee has defined a guideline to address ESG considerations within all asset classes. The aim is for ESG considerations to emerge in all of our investment processes in a harmonized approach, starting with four Pillars:



Source: Unigestion

We have not employed differentiated investment decision making processes depending upon the domicile of our clients or the jurisdiction of our management entities. That said, we can foresee that the EU's Sustainable Finance Disclosure Regulation (SFDR) may mean that certain portfolios may have differentiated reporting requirements over time.

Pillar I: Norm-based screening (bottom-up/all asset classes)

In addition to guiding and monitoring ESG implementation across all investment activities, the Responsible Investment Committee is also accountable for validating company-wide policies on sector and activity exclusion.

Norm-based screening is the process of excluding instruments associated with key social or environmental issues. According to the European Sustainable Investment Forum, it is the "screening of investments according to their compliance with international standards and norms".

We believe such exclusions should be applied across the firm and all direct assets we manage for our clients, excluding investments in funds, which may not control for these subjects.

For indirect exposures, Unigestion supports any initiative to promote the use of indices which do not comprise any of these activities.

Below is a list of exclusions applied across all investment lines since 2019.

- UN Global Compact Non-Compliant
- Controversial Weapons
- Adult Entertainment Producers
- Tobacco Producers
- Thermal Coal
- Predatory Lending

Norm-based screening implementation:

These standards are implemented on a best-effort basis, taking into account local regulation and both a client's as well as fund's best interests, with a transition period following their initial implementation for the funds/mandates in scope, and following periodic revisions of the exclusion lists. If the application of this standard dictates divestments, portfolio managers shall disinvest at their discretion within this transition period taking into account the portfolio impacts based on market conditions, liquidity and portfolio construction constraints. In practice, some targeted instruments could remain in the funds or mandates for a period if deemed in the best interest of clients.

Portfolio Managers perform the initial analysis, Risk Management reviews the framework initially and implements pre- and post-trade checks on a daily basis.

Pillar II: Exclusionary screening (bottom-up/asset class specific)

Negative or exclusionary screening is the process of excluding instruments from an investment universe based on our expectations regarding specific ESG-related risks to a particular asset class.

International mobilisation against climate change is leading to growing public and regulatory pressure to limit carbon emissions. Excessive carbon emitters are likely to face regulatory and pricing headwinds, and some activities may simply not be viable under strict scenarios. Unigestion recognises climate-related risks as part of each company's risk profile and excludes any company with a carbon intensity (Scopes 1, 2 AND 3) of more than 8,000 tons of $CO2$ equivalent per million USD in revenues.

Companies with ongoing severe controversial events:

A controversy occurs when a company's activity results in a negative environmental and/or social impact which will result in reputational risks for stakeholders and sometimes it will negatively impact the share price of a company.

Controversies are usually extraordinary events, or a series of incidents, which are associated with public news and, in many cases, market reaction. The severity of controversial events is different and Unigestion uses Sustainalytics' methodology for evaluating the severity. There are six categories: No evidence, Low, Moderate, Significant, High and Severe.

At Unigestion, we exclude any company with severe controversies from our investment universe. The other levels and the number of remaining controversies will penalise our internal ESG score to impact our company selection process.

Pillar III: Portfolio-level ESG guidelines (top-down/asset class specific)

We require our portfolios in each asset class to maintain an ESG score that is higher than a pre-defined benchmark on an ongoing basis. This is achieved through a continuous positive tilt to investments with better ESG scores and a negative tilt to the ones with the worst ESG scores.

In the majority of our investments, when applicable, we also maintain a control on the greenhouse gas (GHG) intensity or carbon emissions versus a reference on an ongoing basis. For example, for equities portfolios - by effectively favouring investments with higher ESG scores, we ensure an overall ESG score that is higher than the market reference. In the majority of cases, we aim for at least a one decile improvement based on rankings from our internal scoring methodology. In addition, at the aggregated portfolio level, we ensure that the total GHG intensity is, at least, 20% better than that of the market reference.

Our fundamental analysts cover all major positions held within the portfolios, as well as any stocks that may present certain risks over time. When a stock is a candidate from a quantitative point of view, they conduct a fundamental review of the stock in order to have a forward-looking view of the risk profile. The in-house methodology is based on a SWOT analysis where the intention is to identify any risks a business may face. Risks as opportunities are diverse by nature but ESG risk and opportunities are getting more impactful and thus have a growing influence on the SWOT analysis. They assign a rating to these positions, which determines a maximum weight of the position in the portfolio. The analysts then closely monitor where a company stands relative to its peer group. They also pay close attention to corporate governance and communication transparency.

The ESG risk assessments and stress tests we mentioned above are considered based on the materiality approach, i.e. material ESG risks are assessed in more detail than those considered immaterial.

Pillar IV: Active ownership/parallel efforts (all asset classes)

Unigestion aims to be an active owner of companies on ESG issues where we have a reasonable chance of influencing their behaviour and positioning positively.

We believe that in the long term, this process will contribute positively to our portfolios' risk/return profile.

When the process doesn't involve companies, we have other parallel considerations such as investing in green bonds in the case of sovereign investments which is considered relevant to the asset class.

Overall, our Pillar IV comprises of all of our efforts and activities beyond an ESG scoring. For certain asset classes, we have additional elements beyond scoring considerations such as investing in green bonds for our sovereign strategies or investing in responsible precious metals for commodities.

Detailed Process for Sovereign Bonds

For our sovereign investments, we first define an investable investment universe, which is comprised of all governments bonds held in the Bloomberg Barclays Global Aggregate Government Bonds Index (Bloomberg Ticker LGAGTRUU Index).

Prior to applying ESG related exclusionary screenings, we filter the index universe based on liquidity measures and exclude the countries having a below average liquidity score. We use Bloomberg's Liquidity Assessment (LQA) score as a measure, which assesses positions' liquidity risk by quantitatively estimating a security's liquidity.

Liquidity is measured in terms of the security's liquidation cost (i.e., the deviation of the liquidation price from fair value price), liquidation horizon (i.e., the estimated number of trading day to liquidate an associated volume), and level of uncertainty for both the liquidation cost and liquidation horizon. LQA's methodology combines traditional market impact models with machine learning techniques to account for all the relevant factors influencing liquidity.

The resulting list of countries composes the Universe on which Pillar II (Exclusionary screenings) and Pillar III (ESG guidelines) will subsequently be applied.

Pillar II: exclusionary screening

Similar to equities, negative or exclusionary screening is the process of excluding countries from an investment universe based on our expectations regarding specific ESG risks. Unigestion considers three such exclusions: non-covered countries, worst in class countries and high carbon emitters. The exclusions are applied to the applicable universe in the first step of the investment process, resulting in the remaining, investable universe.

Non-covered countries

We exclude from the investment universe countries that are not covered by our proprietary ESG score.

Worst-in-class countries

We prefer countries with better or improving ESG scores. Therefore, we exclude from the investment universe countries with ESG scores in the worst decile of the universe. The result changes over time.

High carbon emitters

In an attempt to limit carbon emissions in our investments, we exclude any country with a carbon emission of more than 40% (KG/PPP $ of GDP) in revenues.

Pillar III: ESG guidelines

We require our portfolios to maintain an ESG score higher than the Benchmark on an ongoing basis. This is achieved through a positive tilt to countries with better ESG scores and a negative tilt to the ones with the worst ESG scores.

The global country allocation is then determined through an optimisation process on the investable universe. The objective is to maximise the overall ESG score while maintaining a diversified allocation across countries by controlling the tracking error versus the initial allocation. At this stage, by effectively favouring countries with higher ESG scores, we ensure that the overall ESG score is above the Benchmark Index while the allocation across countries is not distorted by too many exclusions.

Target allocations resulting from Pillar I and Pillar II will be reviewed on a bi-annual basis on June 30th and December 31st and changes, if applicable, will be implemented in the first 15 days of the following month.

Pillar IV: parallel process

Green bonds

Investing in green bonds is one way to promote commitment to climate and responsible investment and we have decided to favour them over other government bonds. We implement our allocation such that:

- If government green bonds are available for a country, we will allocate at least 50% of the targeted country weight to government green bonds.
- We exclude green bonds issued by supranational and regional entities or government backed companies.

New issues of green bonds by countries eligible in the final investment universe will be invested, based on availability, during the semi-annual re-allocation process.

Outcomes

Listed Equities

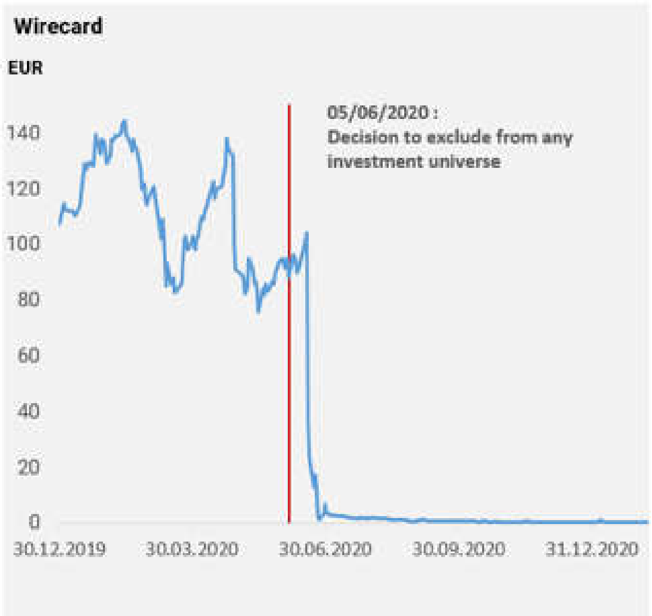
Paying attention to ESG risks has been beneficial to our strategies in the past, allowing us to identify risks before they materialised in the market. A recent example is Wirecard.

In early June 2020, Wirecard was a candidate for one of our equity strategies. As part of our usual fundamental review of the new entrants, the investment team decided to exclude this stock due to suspicious accounting irregularities.

Wirecard is an example of a Governance Issue affecting a stock.

The facts

- The stock was not held in the portfolio due to its very high volatile nature, even before the crash
- However, Wirecard was a candidate into one of our multifactor mandates due to its apparently very high quality and its attractive low correlation
- As part of our investment process, every candidate is reviewed fundamentally before entering any portfolio
- June the 5th it was excluded from all investment universes on the back of negative news flows and controversies around accounting irregularities
- The 18th of June the company lost around two-third of its value after it admitted its balance sheet was inflated by +$2bn



Source: Unigestion, Bloomberg.

Private Equity

As a positive example, we invested in a European company producing B12 vitamin and flavonoids. B12 vitamin plays an essential role on red blood cell formation, cell metabolism, nerve function and DNA production. Its deficiency is a significant health risk and can lead to anemia, fatigue, muscle weakness, intestinal problems, nerve damage and mood disturbances. The flavonoids are used for the treatment of the following health conditions: treat chronic venous insufficiency, hemorrhoids, lymphedema and varicose veins. As a result, the economic activity of this company has had a positive contribution to SDG 3 – Good health & well-being.

We have also rejected a number of investments due to ESG-related risks. A recent example is a producer and bottler of premium quality, natural mineral water and organic beverages. This European company mainly ships its products to North America, raising concerns about the excessive use of plastic packaging and an elevated carbon footprint from transportation. These negative points were weighed against the positives, including the products' success in North America, driven by the trend towards healthier drinks (and away from high sugar soft drinks). There was some potential to address these issues through engagement measures by reducing the plastic used in the packaging and relocating the bottling process to North America. However, the conclusion was that the overall environmental cost of the products was too high, and engagement alone would not be sufficient to overcome the negative impact. At this point, the investment was rejected.

Sovereign Bonds

Our filter on high carbon emitters described above results in the current exclusion of sovereign debt of China, Russia and Estonia from our portfolios.

Principle 8

Signatories monitor and hold to account managers and/or service providers.

A highlighted previously, we believe in the importance of being an active shareholder and exercise the shareholders' rights of our clients through an outsourcing arrangement with a third-party proxy voting specialist firm. Unigestion's proxy voting is carried out by ISS based upon a newly-created customised policy built upon their International Sustainable Proxy Voting policy with enhancements to address stricter rules for director and auditor independence as well as the incorporation of ISS's Climate Voting Services, which uses their Climate Scorecard.

The proxy voting activities are reviewed on a monthly basis by the Responsible Investment Committee.

Portfolio managers are in charge of monitoring proxy voting on a monthly basis. As of today, the monitoring is performed on accounts using the ISS proxy voting service.

Portfolio managers issue a Proxy Voting Report which is sent to Compliance, portfolio managers, the Responsible Investment Committee and Head of Equities, which shows the following statistics:

a. ISS Check List
b. Accounts without votable meeting for more than two months
c. ISS General Meeting Statistics
d. ISS General Voting Item Statistics
e. ISS Meeting Statistics by Account
f. ISS Meeting Statistics by Country
g. ISS Meetings Not Voted (Last Month)
h. Accounts without ISS Setup

The check list shows PASS/FAILED status for the following items

a. Account with no votable meeting recently 2 months
b. Drop in the % of meetings voted] (month over month) -25%
c. Drop in % of items voted] (month over month) -25%
d. Account with a % of meetings voted] (last month) 80%
e. Account with a drop in % of meetings voted] (month over month) -25%
f. No vote on a particular account] (last month) 0
g. Country with a % of meetings voted] (last month) 80%
h. Country with a drop in % of meetings voted] (month over month) -25%
i. No vote on a particular country] (last month) 0

If any item of the Check List is in status Failed, Investment Managers will investigate the reason for this exception. Any exception will be documented and communicated by email to Compliance, other Investment Managers as well as to the Head of Equities.

Through applying this checklist, we uncovered the need to put in place a new protocol to ensure that expiring Power of Attorney documents are renewed on a timely basis for all of the various jurisdictions in which we vote.

We carry out annual Due Diligence on ISS and our other outsourced ESG providers to ensure that there are no unaddressed conflicts of interest, operational or cyber security issues.

Furthermore, members of the Responsible Investment Committee perform a detailed review of the ISS Reports and Proxy Voting Recommendations for between 80 and 100 of the roughly 700 positions held. This is done in order to validate that ISS's recommendations are free of error and in accordance with our proxy voting policy and to satisfy ourselves that these recommendations are not subject to a conflict of interest on the part of ISS.

These reviews of ISS' rationales and recommendations uncovered no instances of bias or conflict of interest.

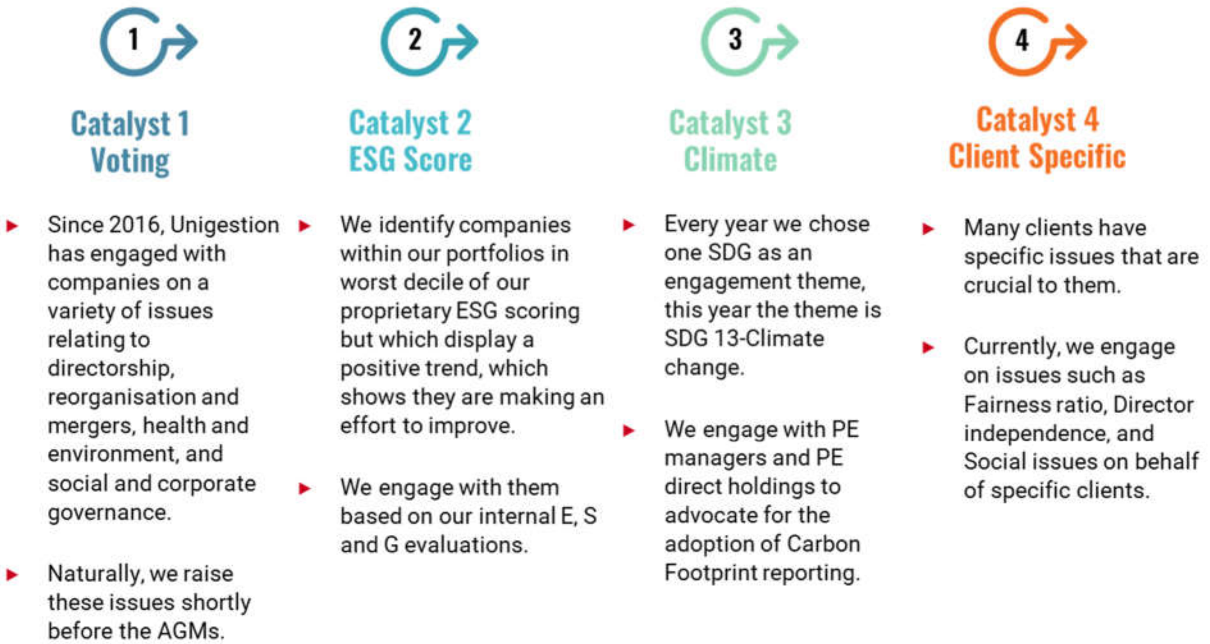
We also perform significant Due Diligence, both before and after engaging our other research partners: Sustainalytics, Trucost and TPI. For example, we employed a post-graduate intern to dissect the scoring methodology of Sustainalytics, uncovering some underlying biases, in creating our proprietary scoring based on the inputs of the various ESG data providers. These observations were shared with Sustainalytics while our manipulation of their data points to create our own proprietary ESG scoring meant that our parameters were consistently applied according to our weightings with no data quality issues.

ENGAGEMENT

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

There are four catalysts for our direct engagement initiatives, in line with our Responsible Investment beliefs and investment approach, outlined below.



Source: Unigestion

We are mindful of position weightings on both an absolute and relative basis.

We also aim to align our activities with these beliefs:

"We believe that well-governed businesses with responsible practices can make a positive contribution to our clients' portfolios over the long term.

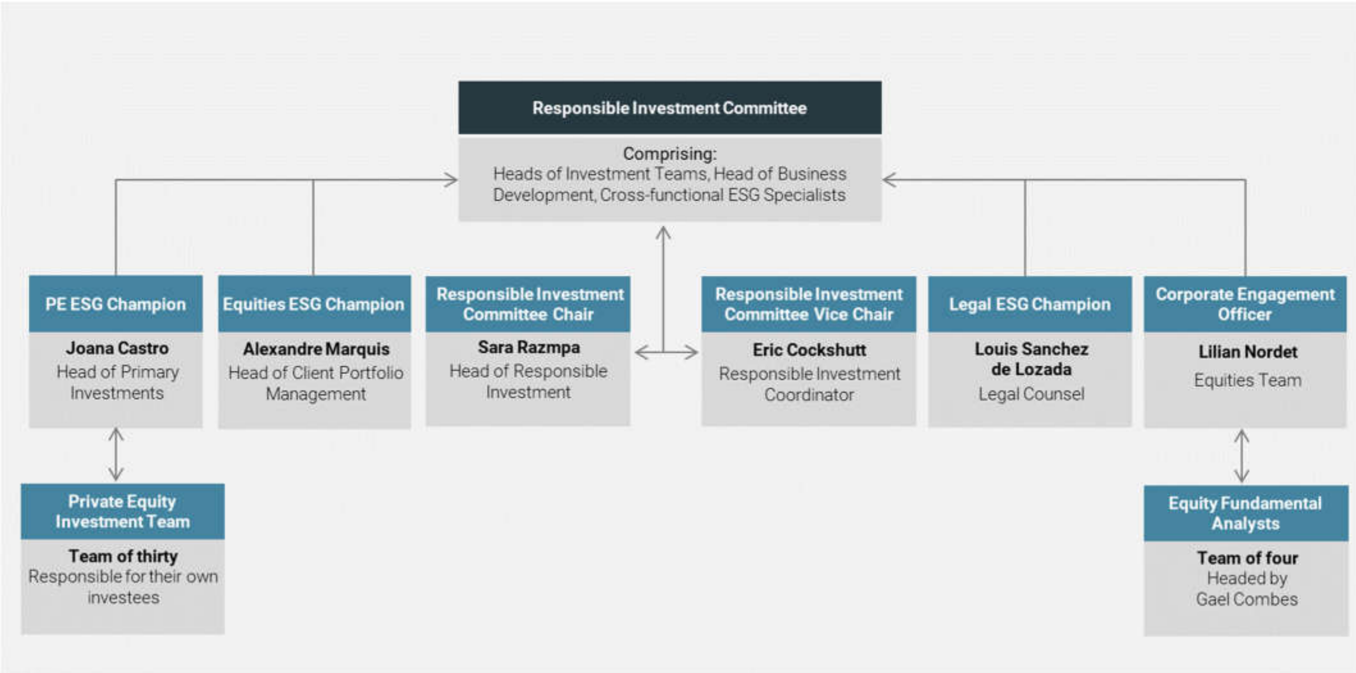
Our stewardship and direct engagement activity focuses on the ESG factors we believe will have the greatest impact for long-term investors."

We have chosen to conduct our own direct engagements, rather than using a service provider, in order to have greater control, flexibility and feedback mechanisms throughout our stewardship activities. Furthermore, as a global investor, we want to reach out to investee companies first in writing (acknowledging language and time-zone issues), and then to follow up with emails and conference calls once the appropriate stakeholders and resources are identified at the investee company.

Before beginning an engagement, we set specific objectives. We also record each engagement with: corporate entity, issue, date of engagement, response, and outcome. We have created a proprietary engagement effectiveness rating from 0 (no acknowledgement) to 6 (our recommendation fully adopted). In 2020, we engaged directly with 68 listed companies. Thanks to follow-up emails and in-depth communication with invested companies, over the year we doubled the number of engagements resulting in a constructive dialogue and providing satisfactory explanations to our concerns.

We have the ability to customise our engagement themes to meet the specific priorities of our institutional clients. For example, we have engaged on specific Social issues on behalf of a particular pension fund client. In the context of our Eurozone fund we have targeted companies based on their Fairness Ratios and level of Board independence.

Most in depth engagements are conducted via conference call with senior management, board directors, subject matter experts and investor relations. Our Direct Engagement Team is comprised of our Corporate Engagement Officer, internal Legal Counsel and our Responsible Engagement Coordinator as well as the ESG Champions from the relevant Investment Teams as illustrated below:



Source: Unigestion, as at 31 December 2020

In Private Equity, we engage with our portfolio companies at the initial investment date. We focus our engagement efforts on three key areas: (i) ESG policy & processes; (ii) carbon footprint; and (iii) gender diversity. These engagements are systematic and begin with clear engagement objectives. On an annual basis, the progress of such engagements is reviewed and discussed at the Private Equity Investment Committee.

Most of our engagements are direct individual engagements, alongside our investment partners. On fund investments, we know from experience that the collaboration with other fund investors is the most effective way to engage. We will pursue this approach whenever possible.

Similarly, in our management of Private Equity holdings, we score our GPs annually. Those that fall into the “laggards” category are then subject to engagements to remediate the shortfalls uncovered in the assessments.

In private equity, we engage with all our portfolio companies. However, there is higher potential for engagement with the ones that score lower in accordance with our proprietary methodology.

In most cases, we secure a seat on the advisory boards for the Private Equity funds we invest in. This is a key part of our post-investment monitoring as we are privy to fund governance and can influence decisions on how funds are managed, including measures to address key person risk and conflicts of interest.

In private equity, the investment team remains informed about the activity of the portfolio companies on a regular basis via regular interactions with our investment partner or company’s management. We assess the evolution of our engagement on an annual basis. We seek this evolution to be positive and focus special attention to any portfolio companies that would show deterioration. We currently do not have a system to determine the effectiveness of our engagements.

We do not engage with the issuers of sovereign or corporate debt as we view our exclusionary screening to be effective in avoiding major ESG risks, the AUM managed in this asset class is not significant in absolute or relative terms, and the likelihood of success is, in our estimation, minimal.

In certain cases, we are proactively approached by portfolio companies in advance of making changes to their practices that may have an impact on ESG issues. We welcome these constructive dialogues.

Listed Equities Engagement Examples

In 2020, we began an important direct engagement with Nestlé which is a major holding in a number of our equities portfolios. We voiced our concerns about the current situation the company is facing in terms of social supply chain incidents. We understand that the company has developed programmes to address human rights issues in its supply chain, however, our research shows that the company continues to face persistent labour and human rights issues in its suppliers’ palm oil and cocoa plantations, including child labour cases. This could increase risks for customer satisfaction and reputational issues, which in turn may result in decreased revenues. We organised a conference call on 29 June with four specialists at Nestlé to address our concerns. They first gave us an overview of the Responsible Sourcing standards applied to all of their suppliers. In regards to the risk assessment for cocoa, the experts explained the various challenges the company faces in addressing child labour, particularly in the context of school closures due to Covid. They explained the remediation system they have put in place, and the level of transparency and traceability they have reached over the years, from suspension of specific farmers where child labour issues were identified, to the establishment of spot checks and unannounced on-the-ground visits. With regards to Palm Oil and deforestation, they explained their current work with the Starling satellite system that helps them identify where there is a deforestation alert, consequently they will engage with their direct suppliers to understand if deforestation happened, if it is linked to palm oil, and if yes, to take appropriate measures. The traceability of a broad range of commodities is a growing trend in best practices in sustainability. We agreed upon certain metrics that we will monitor upon the release of their annual sustainability reports. Overall, we consider this dialogue as a satisfactory explanation to our concerns.

Further on the topic of deforestation, we engaged directly with Procter & Gamble over the shareholder motion for a Climate Report on Efforts to Eliminate Deforestation. We felt that a vote for this resolution was warranted, as shareholders would benefit from additional information on the company's strategy to manage its supply chain's impact on deforestation. At the Annual General Meeting, 67% of shares were voted in favour of this shareholder initiative which is the highest ever vote for a deforestation proposal. We consider this result to be fully in line with our recommendations.

We engaged directly with Polymetal in 2020 on the topic of cyanide management in the company's operational sites, as well as non-mineral and hazardous substance waste. We appreciate Polymetal's high scores from Sustainalytics (ranking 4th of 113 of global precious metals producers) and their adoption of GRI and SASB. They provided an overview of the process to be certified by the International Cyanide Management Code. They are currently running their third cyanide audit, and two of its operation sites were fully certified in 2019. We also encouraged incorporating ESG KPIs at the management level. The pace of adoption of certification is, however, too slow and we will need to continue to pressure them to accelerate the process of certification, as well as the required ongoing recertification. Our interaction with them was only partially effective and will need to be continued.

Finally, in December 2020, we engaged with UK-based Unilever on human rights and social issues related to palm oil, and the topic of plastic packaging. The company has put in place a grievance mechanisms process in order to remediate on social issues, and we have seen significant progress in the area. As of December 2020, 95% of palm oil was certified, a combination of segregated and mass balance palm oil. However, they want to reach a higher standard on the verification that palm oil is deforestation free with a new focus on traceability since June 2020. We then discussed the three main targets set by the company for 2025, namely: 1) halve the amount of virgin plastic use in packaging; 2) collect more plastic packaging than they sell; and 3) ensure that 100% of plastic packaging is designed to be fully reusable, recyclable or compostable. Unilever has set many goals, however, they were downgraded in a recent Plastics Scorecard for failing to meet a sustainable packaging target. They need to be held accountable for these commitments through further engagement, both individual and collaborative.

Customised and detailed engagement reports are created for a number of our UK based institutional clients on a quarterly basis. We also provide the public with semi-annual engagement summaries through the Responsible Investment section of our website.

Our team of Fundamental Analysts are included in all communications surrounding our direct engagement activities and outcomes to further inform their views.

Assessment

While we have anecdotal evidence of the successes and challenges faced in our engagement programmes, we plan to enhance the depth of initially set KPIs in order to have more specific and quantifiable measurement of outcomes as well as links to appropriate escalation strategies.

Principle 10

Signatories, Where Necessary, Participate in Collaborative Engagement to Influence Issuers.

Part of our stewardship activities may include discussions and collaborations with relevant stakeholders of investee companies such as industry bodies, investor networks and initiatives, civil society organisations and regulators.

Regarding collaborative engagement, we, together with 545 signatories representing USD 52 trillion of investments, are participating in the Climate Action 100+ initiative. This five-year project by both asset managers and asset owners aims to engage with 167 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. The major focus which began in September 2020 is putting in place a protocol and scorecard for firms which are making Net Zero GHG commitments. The Scorecards will be released in March 2021 and will provide consistent and quantitative basis to engage companies over, both collaboratively and individually. To further deepen our commitment to this initiative, the Unigestion Group has become a lead on the engagement with Canadian natural gas distribution company - Enbridge. We continue to hold Enbridge in a number of our equity portfolios.

To further our work on Climate Action 100+, we are also participated in the PRI-lead Oil & Gas Collaborative Engagement. Together with 125 signatories representing approximately USD 6.3 trillion of investments, we engaged with companies active in the Oil & Gas industry. This project came to a close in November 2020 with all outstanding activities assumed by Climate Action 100+.

In line with our commitment to engaging in support of Sustainable Development Goal 13, Climate, we have also signed on to the PRI's Investor Expectations Statement on Climate Change for Airlines and Aerospace Companies.

During 2020, we joined the Plastic Solutions Investor Alliance, an international coalition of over 45 investors that engages with publicly traded consumer goods companies on the threat posed by plastic waste and pollution. This is a crucial initiative as, at current patterns, by 2050 there will be more plastics by weight in the oceans than fish. In this context, our first engagement was with The Coca-Cola Company. We spoke about problematic package design, such as their Capri-Sun plastic and foil laminate sachets that cannot be recycled, setting targets for plastic reduction, encouraging refillables, as well as their willingness to pay a premium for recycled plastic vs. virgin feedstock. Coke agreed to a goal of 50% recycled content by 2030. We continue to hold The Coca-Cola Company in a number of our equity portfolios.

In 2020, we signed the Tobacco-Free Finance Pledge. Signatories are leading financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit, thereby raising awareness among financial institutions of the essential role the finance sector must play to help achieve the SDGs, reduce mortality from tobacco and improve global health.

As highlighted in Principle 4, one worrying recent development has been the SEC's release of a set of draft rules that, if passed, would greatly impact the ability of proxy voting firms, such as ISS, to conduct their business. We rely substantially on their impartial analyses and recommendations on corporate issues as, at the Unigestion Group level, we vote on over 11,000 items per year. We, and a number of PRI signatories, have sent a letter to the SEC in support of the value that proxy voting firms bring to the industry. There is a sense that the new administration in Washington may ease these proposed restrictions.

Outcomes

Climate Action 100+ is our most important collaborative effort to date. It was originally envisaged to be a five-year initiate but, sadly, there appears to be need for it to become a quasi-permanent fixture. As the 167 corporate entities engaged with through this initiative emit more than 50% of the world's Greenhouse Gases, having an impact on them can make a real difference to our climate. The release of the Climate Action 100+ Net-Zero Company Benchmark, will be the lynchpin in driving the initiative forward. We have committed to become even more active in this collaborative effort by becoming a lead on the engagement with Enbridge.

Similarly, our involvement in the Plastic Solutions Investor Alliance is also becoming a multi-year initiative. By using their scoring methodology, we are also able to improve the quality and specificity of the direct engagements we have had with firms we hold, such as, Coke, Procter & Gamble, Unilever, Yum! Brands, Starbucks and Kroger.

For both of these major collaborative engagements, we are now transitioning from the "measuring" phase to "management". KPIs and methodologies have been agreed to; we need to now collectively apply pressure to these levers. We assess both initiative as having the potential for success, however the results to date indicate significant room for improvement of outcomes.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

We believe that engagement is an activity which may take many years to bear fruit. Building constructive relationships over time is crucial, however, retaining the option to escalate plays an important part in our ability to influence issuers.

In line with industry best practice, and rewarded in our PRI Assessment Report, our direct engagements with listed companies have a feedback mechanism that ensures that our Fundamental Analysts are kept informed of the issues, trends and outcomes of such activities of the companies they research. Furthermore, we have implemented an internal scale to determine the effectiveness of our engagements from 0 (no acknowledgement of our request) to 6 (complete implementation of our recommendation).

The Corporate Engagement Team, acting under the authority of the Responsible Investment Committee, determines the issues and instances where escalation of our engagement activities are warranted. This determination is made based on the values and guiding principles of Unigestion and is applied consistently across geographies and asset classes.

If we are not satisfied with the outcome of our engagement discussions we may prioritise the company for escalation either directly or in collaboration with other asset managers and asset owners. We may also vote against management at company meetings. If we are still not satisfied that the management team is acknowledging or addressing our concern(s), we may also consider supporting the submission of shareholder resolutions initiated by third-parties, or joining shareholder groups.

Finally, if all other escalation channels have been exhausted and we see insufficient improvement over a reasonable time frame, we may decide to reduce or divest entirely of our holdings.

In private equity, if we are not satisfied with the outcome of our engagement discussions, we aim to collaborate with the other investors to put pressure on the engagement outcome to be delivered. Should that approach fail, we could either (i) sell our investment in a fund or a company in the secondary market, typically at discounted valuations OR (ii) we could drive the dismissal of the company's CEO, typically alongside our investment partners.

We have found that building constructive relationships over time bears more fruit than quickly adopting a more adversarial approach. As such, we often reach out to management in advance of casting votes against them on contentious issues at AGMs. This consultative approach may even pre-empt the need for a vote against management, as was the case in our recent discussions with a Swiss insurer regarding an overboarded director nominee that subsequently rescinded their candidacy ahead of the vote.

In a recent engagement with a German insurer, we escalated our dialogue to the CEO and to the Chairman of the Board of the holding company that has a majority interest in the firm in order to advocate for adequate representation of minority shareholders on the Board, and key committees. In this instance, the representation on the Board of Directors has not yet changed, but the Directors of the holding company are now acutely aware of the desire of independent shareholders to have an appropriate voice at the table.

In the context of our Eurozone fund, we require the attainment of a set minimum requirements for board independence be met within three years of investment otherwise we will divest. Similarly, we require the attainment of minimum Fairness Ratio scores for the portfolio. These stipulations were put in place in 2020 and have been the catalyst for a number or direct engagements but have not yet been the cause of a divestment.

EXERCISING RIGHTS AND RESPONSIBILITIES

Principle 12

Signatories actively exercise their rights and responsibilities.

We believe in the importance of being an active shareholder and, as highlighted in previous Principles, exercise the shareholders' rights of our clients through an outsourcing arrangement with a third-party proxy voting specialist firm. Unigestion's proxy voting is carried out by ISS based upon a newly created customised policy built upon their International Sustainable Proxy Voting policy with enhancements to address stricter rules for director and auditor independence as well as the incorporation of ISS's Climate Voting Services, which uses their Climate Scorecard. We apply this Policy across all accounts where we have been granted voting discretion. Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies; the Responsible Investment Committee must approve the decision, and this decision is documented. We did not vote counter to ISS's recommendations over the reporting period.

This customised ISS Policy directs the voting for all listed equities held within our dedicated equities portfolios, multi-asset portfolios, and liquid alternatives. Unigestion (UK) Ltd does not manage fixed income portfolios.

Clients investing through segregated mandates can choose to adopt our customised ISS policy, another policy of their choosing, or direct the voting themselves.

We have not put in place a mechanism that allows clients to direct voting for their pro-rata share of pooled vehicles.

Regarding our investments in Private Equity funds, in most cases, we secure a seat on the advisory boards for the funds we invest in. This is a key part of our post-investment monitoring as we are privy to fund governance and can influence decisions on how funds are managed, including measures to address key person risk and conflicts of interest. We exercise other shareholders' rights such as corporate actions in the best interest of our investors.

Our Proxy Voting Policy and the full Unigestion (UK) Ltd. Proxy Voting Report 2020 are available at:
https://www.unigestion.com/responsible-investment/policies-and-reporting/

Unigestion's goal is to exercise our voting rights at as many meetings, and on as many items, as possible. In rare instances of share blocking, the general policy is to vote on 50% of the shares held.

During 2020, the Unigestion Group voted at 98.35% of meetings. We voted against management on 20.43% of the 11,077 votes we cast which is a dramatic increase from the 8.24% of last year due to the implementation of our stricter policy.

Similarly, during 2020, Unigestion (UK) Ltd. voted at 99.70% of meetings. We voted on 707 of 727, or 97.25% of votable ballots and on 4,553 of 4,565, or 99.74% of votable items. We voted against management on 23.35% of the 4,553 votes we cast, a significant increase from 7.49% in 2019.

The proxy voting activities are reviewed on a monthly basis by the Responsible Investment Committee.

As highlighted in Principle 8, portfolio managers are in charge of monitoring proxy voting on a monthly basis. As of today, the monitoring is performed on accounts using the ISS proxy voting service.

Portfolio managers issue a Proxy Voting Report which is sent to Compliance, Portfolio managers, the Responsible Investment Committee and Head of Equities, which shows the following statistics:

j. ISS Check List
k. Accounts without votable meeting for more than 2 months
l. ISS General Meeting Statistics
m. ISS General Voting Item Statistics
n. ISS Meeting Statistics by Account

o. ISS Meeting Statistics by Country
p. ISS Meetings Not Voted (Last Month)
q. Accounts without ISS Setup

The check list shows PASS/FAILED status for the following items

r. Account with no votable meeting recently 2 months
s. Drop in the % of meetings voted] (month over month) -25%
t. Drop in % of items voted] (month over month) -25%
u. Account with a % of meetings voted] (last month) 80%
v. Account with a drop in % of meetings voted] (month over month) -25%
w. No vote on a particular account] (last month) 0
x. Country with a % of meetings voted] (last month) 80%
y. Country with a drop in % of meetings voted] (month over month) -25%
z. No vote on a particular country] (last month) 0

If any item of the Check List is in status Failed, Investment Managers will investigate the reason for this exception. Any exception will be documented and communicated by email to Compliance, other Investment Managers as well as to the Head of Equities.

Risks specific to voting are mainly that voting decisions are flawed because of lack of independence. Examples could include:

- The person taking the voting decision is not independent with regard to the issuer in question;
- The company to be voted on is also a client of Unigestion;
- Unigestion directors are acquainted with the board members of the company being voted on; or
- Resolutions are voted, not in shareholders' best interests, but to the benefit of a third party.

To manage and prevent such risks occurring, and in addition to the regular monitoring and controls of our Compliance department, several measures have been taken:

- All employees must report their holdings on a quarterly basis as part of the personal dealing policy.
- All employees and directors must disclose and Unigestion must approve any outside interests or directorships they hold.
- Our proxy voting service provider (ISS) establishes voting recommendations based on Unigestion's customised voting policy, which is validated by the Responsible Investment Committee.
- In cases where a potential conflict of interest is identified, ISS voting guidelines will be applied without any intervention from the manager in charge of the voting activities.
- Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies, the Responsible Investment Committee must approve the decision, and this decision is documented.
- The ISS Conflicts of Interest Policy is obtained and reviewed by the Responsible Investment Committee.
- A post-vote review of our voting decisions is performed by our Responsible Investment Committee.

Employees are made aware of the policies and procedures in place that are designed to identify and manage possible conflicts through their normal business operating procedures, ad-hoc guidance from the compliance department, training and normal day to day business communications.

The Unigestion Group, and Unigestion (UK) Ltd. specifically, do not participate in securities lending programmes.

Unigestion (UK) Ltd. does not manage fixed income portfolios.

Outcomes

We provide the following examples of significant votes cast during 2020. We consider significant to mean where we hold greater than 1% of the firm's outstanding shares, where the issue is particularly contentious, or where there is a significant portion of votes cast against management.

Eli Lilly & Co
Elect Director Ralph Alvarez, Carolyn R. Bertozzi, Juan R. Luciano, Kathi P. Seifert : A vote AGAINST all director nominees is warranted for a material governance failure. The company's charter does not allow shareholders to amend the company's bylaws. 19.50% of shares were voted against management, however, their requirement of a super-majority of 80% to amend the bylaws will make this very difficult to succeed.

Motorola Solutions, Inc.
Elect Egon P. Durban and Gregory K. Mondre as Directors.Votes AGAINST these nominees are warranted for serving as non-independent members of a key board committee. 26.35% of shares were voted against management.

Ross Stores Inc.
Adopt Quantitative Company-wide GHG Goals. A vote FOR this proposal is warranted, as additional information on the company's GHG emissions, GHG reduction goals, and oversight mechanisms for reduction activities would allow shareholders to better assess the company's management of these emissions and related risks. 40.56% of shares were voted against management.

TJX Co.
A vote FOR this proposal is warranted, as additional information regarding the processes the company uses to assess human rights impacts in its operations and supply chain would allow shareholders to better gauge how well TJX is managing human rights related risks. 38.81% of shares were voted against management.

Lamb Weston Holdings Inc.
A vote FOR this proposal is warranted, as shareholders would benefit from more information regarding pesticide use in the company's agricultural supply chain, given greater public scrutiny over pesticide use and its impacts on the environment. 34.32% of shares were voted against management.

Paul Wilson

Chairman of Unigestion (UK) Ltd.

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